



VM Investments Limited Corporate Governance, Nominations and Compensation Committee Charter

Effective Date: November 27, 2023

Reach of Policy: VM Investments Limited

Date Approved: November 27, 2023

Scope: This charter governs the scope and responsibilities of the VM Investments Limited (VMIL) Corporate Governance, Nominations and Compensation Committee of the Board of Directors.

Recalls/Retires: N/A

Also see: POL: 605 - VMIL Corporate Governance Policy



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1 Introduction

The Corporate Governance, Nominations, and Compensation Committee plays a pivotal role within VM Investments Limited, overseeing critical aspects of our business that are integral to our continued success. This charter outlines the responsibilities, and operating principles of the Committee, reaffirming our commitment to the highest standards of corporate governance, executive compensation, and Board nominations.

In alignment with regulatory requirements and industry best practices, the Committee functions as an essential pillar in preserving our integrity, transparency, and sustainable growth. By promoting strong corporate governance practices and ensuring that our executive compensation strategies remain competitive, yet aligned with long-term value creation, the Committee endeavors to provide our stakeholders with the confidence they require in an ever-evolving financial landscape.

This charter serves as our guiding document, outlining the structure and operations of the Committee, underscoring the importance of its role, and the dedication to its core responsibilities. As we strive for excellence in corporate governance, succession planning and sound compensation practices, the Committee remains steadfast in its commitment to advancing the best interests of VMIL, its stakeholder, and all those we serve.

The Board of Directors in fulfilling its responsibility to its stakeholders, wishes to ensure that:

- a. the Corporate Governance Policy of the Company reflects best practice and is responsive to the needs of the Company
- b. the Board and its [standing] committees are composed of individuals qualified to serve as directors and committee members
- c. the forms and levels of compensation for Directors and senior management are appropriate given market conditions and the Company's financial and non-financial performance; and
- d. the Board has a functioning Corporate Governance, Nominations & Compensation Committee ("the Committee") with responsibility to approve the corporate governance framework, to properly implement and to oversee its effectiveness.



2 Purpose

The Committee shall assist the Board of Directors in fulfilling its responsibilities for:

- a. designing an effective corporate governance framework, undertaking periodic reviews, and making recommendations for reform, if necessary, to ensure the practice of good corporate governance
- b. identifying qualified candidates for nomination to the Board and for service on committees of the Board; recommending changes in Director compensation; and evaluating candidates for appointment to senior management positions in the Company
- c. the formalization and oversight of compensation programmes to ensure that compensation is consistent with the objectives, strategy, and the control environment
- d. the formulation and oversight of performance incentive systems as may be applicable
- e. the establishment of a policy framework designed to guide the Board of Directors in managing its responsibilities to the Company with related party transactions, through appropriate monitoring arrangements to ensure ethical, statutory, and regulatory compliance
- f. providing mechanisms for the balanced conduct of the business of the enterprise according to the highest ethical standards and corporate best practices
- g. oversight of the execution of the Corporate Governance Policy and matters related to environmental, social and corporate governance (ESG)
- h. identifying potential conflicts of interest, and resolving/managing such conflicts of interest, should they occur; and
- i. monitoring the Company's policy in respect of insider trading.



3 Authority

The Committee shall have the authority to

- a. Conduct or authorize investigations into any matter within its scope. In doing so, the Committee is empowered to:
 - i. seek any information it requires from management and staff, all of whom are directed to co-operate with the Committee's requests;
 - ii. seek any information it requires from external parties;
 - iii. retain independent counsel or other professionals to provide advice; and
 - iv. examine contracts and records of employment of the senior management and any other persons engaged on a permanent basis or by way of fixed term contracts.
- b. Approve policies and frameworks within scope.
- c. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- d. Approve exceptions within scope.



4 Composition

The Committee shall consist of at least three (3) non-executive members of the Board of Directors. Committee members shall be appointed by the Board which shall also appoint the Chairman of the Committee. There should be a balance of knowledge, experience, skills, and competencies among members to allow the Committee to work effectively.

A removal of a member of the Committee may be recommended to the Board based on a vote of 51% of the remaining members that the said director has failed in a material way to fulfil his or her duties as a director or has engaged in conduct which is materially and adversely prejudicial to the mission or purpose of the organization.



5 Meetings

- a. The Committee is required to meet at least four (4) times each year, with the authority to convene additional meetings, as circumstances dictate. All members are expected to attend each meeting, either in person or via teleconference or videoconference. The Committee may at its discretion, invite members of management, consultants, or others to attend meetings and present reports or provide pertinent information, as necessary. It will meet periodically in executive session.
- b. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- c. Meeting agendas will be prepared and provided in advance to members along with appropriate briefing materials. The Committee is required to maintain written minutes of its meetings and report to the Board on its meetings and to ensure that minutes are maintained with the books and records of the Company. Minutes of all meetings must be distributed to members at least three (3) business days in advance of the next scheduled meeting.



6 Quorum

The quorum for a meeting of the Committee shall be fifty percent of the membership appointed from time to time.

The Committee is authorized to approve matters by round robin resolution in special circumstances where it is not practical to convene a meeting within two (2) days of the notification by Management. The procedures which shall apply are as follows:

- 1) Notice of the resolution must be circulated to all members of the Committee.
- 2) The quorum for a round robin resolution shall be a minimum of two (2) non-executive members (i.e., at least two (2) non-executive members must record a vote); and provided that if the membership is increased, the quorum shall be that a simple majority of the non-executive members must record a vote.



7 Committee Secretary

The Corporate Secretary or Secretariat shall act as Committee Secretary, arrange meetings and prepare minutes. The Corporate Secretary or Secretariat shall ensure that all regulatory requirements at the governance levels are addressed with the Financial Services Commission (FSC), Bank of Jamaica (BOJ) and the Jamaica Stock Exchange and any other relevant regulatory authority. The Committee adopts best practices and that all Directors meet the requirements to serve on the Board as prescribed in the Corporate Governance Policy.

The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.



8 Responsibilities

A. Corporate Governance

1. Develop a framework, elements of which are set out in Appendix A, to:
 - identify, avoid, and resolve potential and/or actual conflicts of interest;
 - monitor the Company's policies and procedures to prevent insider trading; and
 - establish and oversee policies for ensuring that all related parties, including those who are Directors, disclose their interest in transactions involving the VM Group or any of its Subsidiary Companies, as appropriate with prescribed reporting form.
2. Ensure the undertaking, and oversee the conduct, of an annual self-evaluation of the Board of Directors and track performance to monitor improvements in targeted areas.
3. Undertake an annual evaluation of the performance of all Board Sub-Committees.
4. Recommend Director rotation as appropriate, from time to time.
5. Review any applicable term limit policy for the Directors and monitor to ensure compliance.
6. Review and monitor a Code of Ethics and Conduct. Review the process for communicating the Code to the Company's personnel and for monitoring compliance therewith. Ensure the Board is appropriately staffed with the requisite skills and experience to govern the Company.
7. Monitor succession plans for the CEO and officers of senior management and ensure that a culture of succession planning is maintained for the Company.
8. Oversee issues involving complaints, legal and/or disciplinary matters directly related to the CEO.
9. Act as the appeal level for matters related to the CEO's direct reports.
10. Ensure compliance with Corporate Governance Guidelines, best practice, and regulations.



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11. Oversee the conduct of environmental, social and corporate governance (ESG) matters.

B. Nominations

1. Establish criteria for the selection of new Directors.
2. Identify suitable candidates and make recommendations to the VM Group Corporate Governance, Nominations & Compensation Committee and the VMIL Board regarding appointments of independent Directors, taking due account of the blend of skills and experience required.
3. Review periodically the roles, sizes and compositions of the Board and committees and make recommendations for change, as appropriate.
4. Ensure delivery of letters of appointment to new Directors specifying expectations and responsibilities as well as the terms and conditions of engagement.
5. Ensure that new Directors benefit from an orientation programme which educates them about the history, ethos, and corporate governance framework of the Company, among other pertinent matters.
6. Develop and make recommendations to the Board on succession plans for the Board Members and Committee Chairpersons and ensure that a Board Succession Policy is maintained and that there is a schedule of activities to ensure proper oversight for appointment, refreshing the Board, Board diversity, and planned method of on-boarding new Directors.

The succession policy provides the framework for the Board Committees and correlates other relevant sources of data such as:

- i. the results of the Board's self-evaluation.
- ii. the Board's Profile Matrix, inclusive of the weighting of areas of expertise and Board's identification of gaps in its areas of expertise.
- iii. the VM Group's strategic plan;
- iv. a database of potential directors, identified by areas of expertise and identified as missing after current Directors' assessments; and



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- v. corporate governance best practice as indicated by the JSE and the Private Sector Organization of Jamaica (“PSOJ”).

C. Compensation

1. Review and approve corporate goals/objectives relevant to CEO compensation, evaluate CEO’s performance and set CEO’s compensation level based on that evaluation.
2. Make recommendations to the Board regarding incentive-compensation plans and equity-based plans (where appropriate).
3. Monitor the performance and compensation of the senior management team.
4. Be notified of the termination of any member of the senior management team.
5. Review the compensation philosophy for the Company and approve changes to the compensation structure where necessary.



9 Reporting Responsibilities

- a. Provide quarterly reports to the Board of Directors about Committee activities.
- b. Report to the Board on the annual review of the Corporate Governance Framework including its Corporate Governance Policies and Procedures.
- c. Report annually to the Board, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- d. Recommend resolution of any breaches or irregularities in respect of conflict-of-interest matters submitted by the Audit, Risk & Conduct Review Committee.
- e. Review the onboarding documentation prepared by Management for orientation of new directors.
- f. The management governance reporting structure for the Board is set out in Appendix B.



10 Other Matters

The Board Committees may refer matters of policies (whether breach of policy, amendment to policy or change of policy) to the Corporate Governance, Nominations & Compensation Committee for consideration. For example, the VMIL Audit, Risk and Conduct Review Committee, having identified breaches of policies in reviewing its report can escalate these matters to the Committee for consideration, including any feedback from team members that would show any significant concerns.



11 Appendices

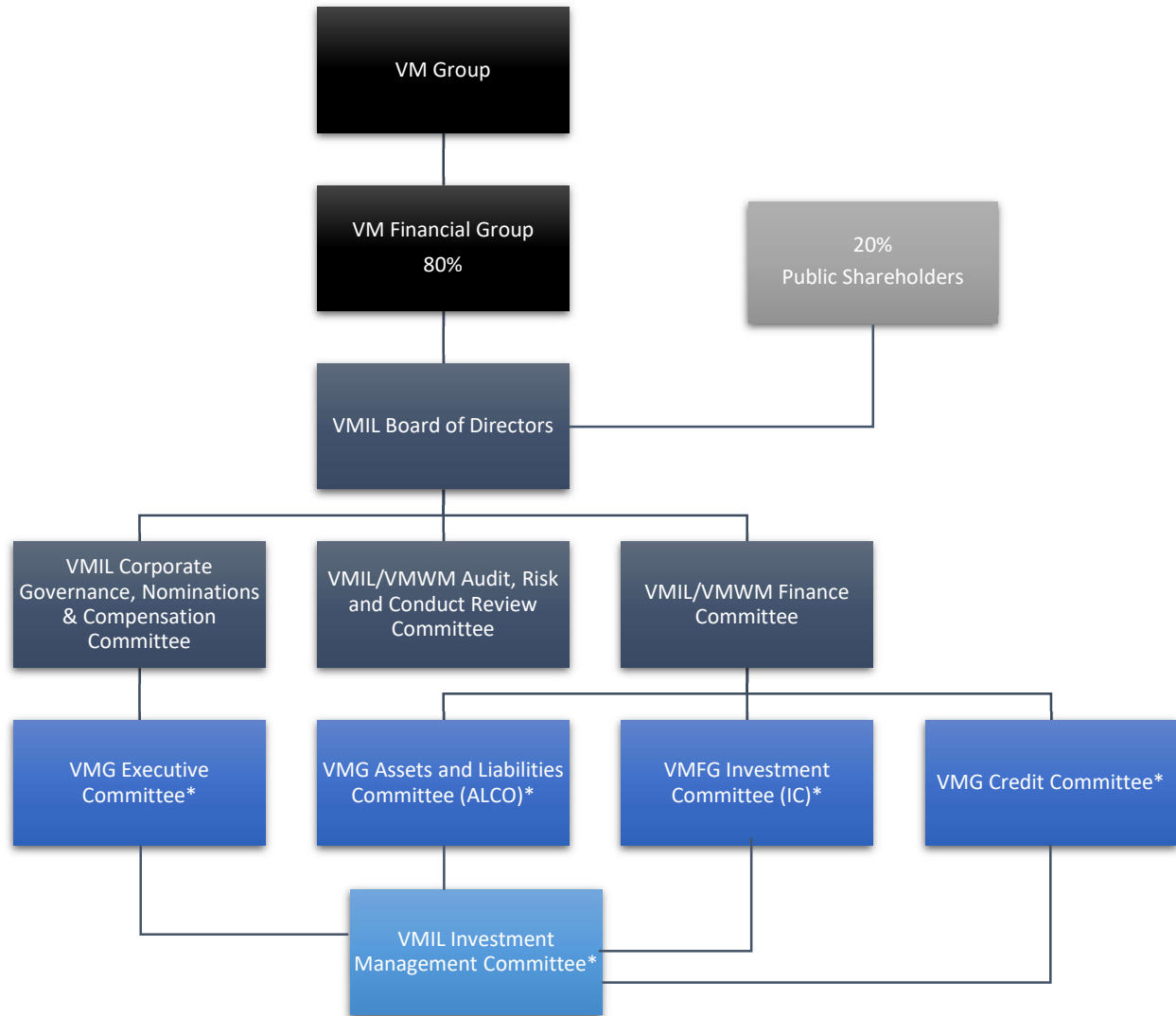
Appendix A: Elements of a Conflict-of-Interest Policy

1. Ensure that Directors with conflicts of interest do not attend, participate in and/or vote at meetings where the transactions are discussed or otherwise exert any influence in relation to the voting on any resolution in respect of the transaction.
2. Institute appropriate mechanisms to ensure dissemination of the conflict-of-interest policy and procedures to Directors and Employees and to monitor compliance with the policy and procedures.



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Appendix B: VMIL Governance Reporting Structure



* Management Level Committee



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Key Description of Management Committees

- Executive Committee is responsible for making all executive decisions in accordance with authority levels approved by the Board. Reviews and approves Policies.
- VM Financial Group Assets and Liabilities Committee (ALCO) provides oversight of Treasury performance, monitors and controls liquidity risk in each of the major currencies in which it operates, makes recommendations on the composition of assets and liabilities, review projected company cash inflows and outflows, reviews significant new products and changes in operations which may affect liquidity, formulates policy on authorities for settling interest rates and formulates policy for the management of the foreign exchange risk.
- VM Financial Group Investment Committee (IC) is charged with the responsibility of overseeing the effective management of the Investment portfolios in the VM Financial Group. The purpose of the Committee is to assist the Board of Directors (Board) in monitoring the effectiveness of the Board-approved investment policy(ies), ensuring stipulated investment guidelines are adhered to and that due-diligence and risk management are at the center of all investment activities.
- VM Financial Group Credit Committee has the responsibility for implementing the Group's credit risk management policies and ensuring that procedures are put in place to manage and control credit risk and the quality of the credit portfolio in accordance with these policies.
- VMIL Investment Management Committee (IMC) assists The VM Group ALCO and VMFG Investment Committee in fulfilling its obligations by receiving reports and approving or making recommendations.



Appendix C: Calendar of Activities for Review and Approval

Activities
Review of: <ul style="list-style-type: none">• Policies• Related Party Transactions• Senior Management and CEO performance reports• Environmental Social Governance Reports• Corporate Social Responsibility Reports• Stakeholder Engagement Reports• Corporate Governance Questionnaires• Succession Planning for Senior Management• Board Evaluation Surveys• Audit Gaps



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Appendix D: References

References	
Policies	POL: 605-VMIL Corporate Governance Policy
Procedures	N/A
Task Lists	N/A

Appendix E: Revision History

Summary of Changes

Version	Changes	Done by	Date
1.0	Policy creation	Keri-Gaye Brown	Feb 26, 2018
2.0	Minor edits	Keri-Gaye Brown	Jun 4, 2020
3.0	Minor edits	Keri-Gaye Brown	Jan 15, 2021
4.0	Section 2 – Purpose: included the oversight of matters related to ESG. Section 8 - Responsibilities: Included the oversight of ESG matters.	Keri-Gaye Brown	Jan 15, 2022
5.0	All Sections: Revision of wording for better flow and structure. Usage of more general language instead of listing specific items to allow for better coverage. 1 Introduction: inclusion of new section with relevant information. 3 Authority: new information added to this section. 4 Composition: inclusion of clause for the removal of a director. 6 Quorum: inclusion of round robin criteria. 7 Committee Secretary: inclusion of acting secretary information. Change document Owner title from Legal and Compliance Officer to CEO - VMIL Appendix B - VMIL Governance Reporting Structure: Inclusion of VMFG and VMFG Investment	Jason Bailey & Nicole Adamson	Oct 18, 2023



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	Committee in the Organization Structure. VMIL Management committee was changed to VMIL Investment Management Committee. Descriptions of each were included. Appendix C - Calendar of Activities for Review and Approval : new section added.		
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Review

Version	Approved By	Date Reviewed
1.0	VMIL Corporate Governance, Nominations and Compensation Committee	2018
2.0	VMIL Corporate Governance, Nominations and Compensation Committee	2020
3.0	VMIL Corporate Governance, Nominations and Compensation Committee	2021
4.0	VMIL Corporate Governance, Nominations and Compensation Committee	Apr 1, 2022
5.0	VMIL Management Team	Oct 23, 2023
5.0	Nattana S. Daley, Group Business Process Improvement	Oct 27, 2023
5.0	VMIL Corporate Governance, Nominations and Compensation Committee	November 2, 2023



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Approval

Version	Approved By	Date Approved	Date Effective
1.0	VMIL Board	2018	2018
2.0	VMIL Board	2020	2020
3.0	VMIL Board	Jan 27, 2021	Jan 27, 2021
4.0	VMIL Board	May 25, 2022	May 25, 2022
5.0	VMIL Board	November 27, 2023	November 27, 2023